



COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES

November 3, 2008

5:00 P.M.

Council Office

COUNCIL MEMBERS PRESENT:

V. Spencer, M. Goodman-Hinnershitz, J. Waltman, S. Marmarou, M. Baez

OTHERS IN ATTENDANCE:

D. Cituk, L. Kelleher, J. Conway, R. Hottenstein,

Vaughn Spencer, President of Council, called the Committee of the Whole meeting to order at 5:00 p.m. Ms. Kelleher stated that Mr. Fuhs was unable to attend tonight's sessions due to illness.

2009 General Fund Budget

Mr. Hottenstein distributed amended revenue and expenditure sheets showing approximately \$1million in adjustments, leaving a \$250,000 shortfall. He explained that 10% reductions were cut across all departmental budgets, except police and fire.

Mr. Waltman stated that the revenue sheet still includes the EIT increase. He noted the lack of Council consensus for the projected EIT increase. He stated that these projections are not much different than that reviewed last week and do not include the adjustments requested by Council.

Mr. Marmarou stated that with improved collection of the housing permit and business license fees the City could gain approximately \$2 million in recurring revenues. Ms. Kelleher questioned the low projections for the collection of the housing permit; business license and zoning permit fees.

Mr. Spencer agreed that the City must increase the collection of permit fees. He stated that the City cannot continue to increase the EIT and Property Tax rates. He stated that the City cannot tax itself out of this financial problem. The Administration continues to charge those who are already paying more, while ignoring those who continue to avoid paying.

Ms. Goodman-Hinnershitz agreed that the City must ramp up collection efforts to find those who do not pay the taxes and fees due. She agreed that the City cannot continue to hit those who are already paying.

Mr. Hottenstein expressed the belief that the City can work to improve overall collections.

Ms. Baez stated that she will not support the suggested EIT increase. She suggested that Council and the Administration work to find expenditure reductions and revenue increases.

Mr. Waltman stated that he will not support an EIT increase but could consider a property tax increase no higher than that permitted by the Charter. He expressed the belief that the budget can be further refined to increase revenues and decrease expenditures. He noted the need for the Administration to develop a collections workflow process that can be implemented by various offices.

Mr. Spencer stated that he also does not agree with the proposed EIT increase. He suggested making further reductions. He noted the need to introduce budget amendments at the regular meeting scheduled for Monday, November 10th.

Mr. Waltman noted the lack of monthly finance reports. He requested that the monthly finance reports begin again and include monthly updates for all permit, fines and fees.

Ms. Goodman-Hinnershitz noted that further cuts may reduce the City's ability to run various programs and services.

Mr. Marmarou noted that the employee in tax, hired to find businesses not paying the business license fees and taxes, more than covered his salary in one year. He suggested hiring a collection agency to assist with the collection of per capita and various permit fees and taxes. He stated that after a year or two the City can then determine if the amount collected will justify the addition of permanent staff.

Parking Authority Bond Guarantee

Daryl Peck, from Concord Public Finance, and Larry Lee, Executive Director of the Parking Authority, stated that the Parking Authority is ready to undertake financing for the 8th and Penn Garage. The garage will cost approximately \$8 million broken out at approximately \$250,000 a year over a 12 year period. The Parking Authority is requesting that the City guarantee this loan. Mr. Lee explained why it is more beneficial to use of a bank loan rather than a standard bond. He stated that the last 2 garages were financed with loans, not bonds. He added that this year the Parking Authority will make its last loan repayment to the City.

Mr. Peck requested that the City introduce the Loan guarantee at the November 10th meeting. The RFP will go out on November 17th, the Parking Authority Board will approve the rate at

their November 18th meeting and seek Council's approval at the November 24th regular meeting.

There was no Council objection to the guarantee of this transaction.

Ms. Kelleher called Council's attention to the Parking Authority's request to increase the parking meter fine and the handicapped parking space fine.

Mr. Lee explained that the Parking Authority recently had a study completed and the report suggested an increase in a variety of fine/fee areas. The Parking Authority needs Council to approve these two fine increases. He noted the increase in violations for parking in handicapped parking spaces. He suggested that this increase will act as a deterrent. Ms. Kelleher stated that the fine for parking in a handicapped space without the proper tags is as high as \$250 in other Berks municipalities.

Mr. Waltman noted the increase in the enforcement efforts and suggested that the Authority work to find a good balance between enforcement and community service.

Respectfully submitted by City Clerk Linda A. Kelleher